



6265.0 - Underemployed Workers, Australia, Sep 2003

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Summary

Main Features

ABOUT THIS PUBLICATION

This publication presents information about underemployed workers. The number of underemployed workers is an important component of underutilised labour resources in the economy, along with the number of unemployed and some persons with marginal attachment to the labour force. A range of information is presented on underemployed workers including the number of hours usually worked, number of preferred hours, steps taken to find work with more hours, and difficulties finding work with more hours.

ABOUT THIS SURVEY

Statistics in this publication were obtained from the Underemployed Workers Survey conducted throughout Australia in September 2003 as a supplement to the Australian Bureau of Statistics (ABS) monthly Labour Force Survey (LFS).

Data from the survey relate to all employed persons aged 15 years and over. Persons who worked less than 35 hours in the week prior to the survey (i.e. the reference week) and who would have preferred to work more hours, were asked about whether they were looking for work with more hours, whether they were available to start work with more hours and their experience in looking for work with more hours. Other information sought included the duration of the current period of insufficient work and the number of extra hours preferred.

ROUNDING

As estimates have been rounded, discrepancies may occur between sums of the component items and totals.

Inquiries

For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or David Blair on Canberra (02) 6252 7206.

Summary Commentary

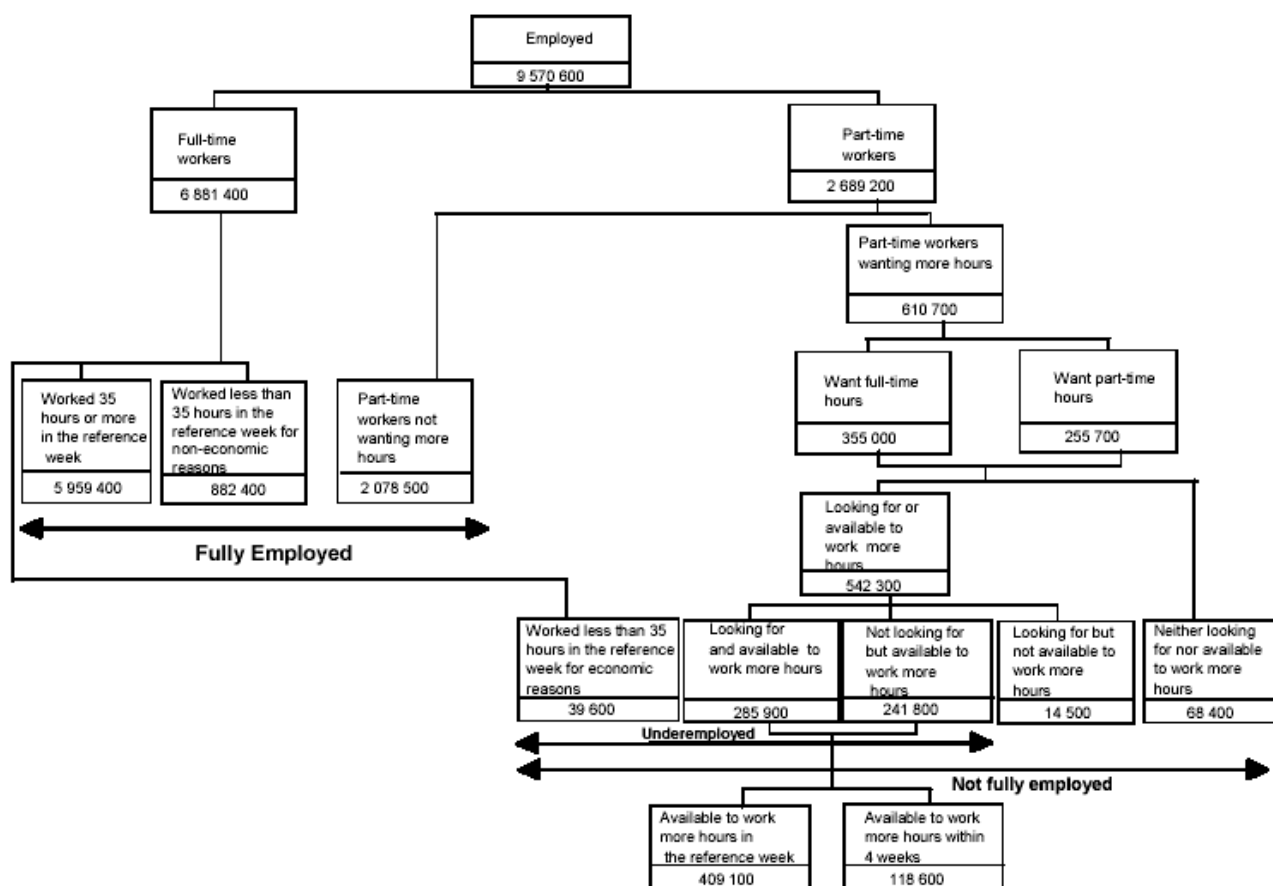
CONCEPTUAL FRAMEWORK

The ABS conceptual framework for underemployment separates employed persons into two mutually exclusive groups:

- workers who are fully employed
- workers who are not fully employed, comprising:

- part-time workers who want to work more hours
- full-time workers who worked part-time hours in the reference week for economic reasons (such as being stood down or insufficient work being available).

Fully employed workers comprise: employed persons who worked full time during the reference week (includes persons who usually work part time); employed persons who usually work full time but worked part time in the reference week for non-economic reasons (including illness or injury, leave, holiday or flextime, and personal reasons); and part-time workers (usually work part time and did so in the reference week) who do not want additional hours of work.



The ABS underemployment framework classifies persons who are not fully employed into a number of groups based on whether they are looking for and/or available to start work with more hours. The framework separately identifies part-time workers wanting full-time hours and those wanting more part-time hours. These persons are further classified according to whether they had looked for extra work during the four weeks prior to the survey, and whether they were available to start extra work (either in the reference week or in the four weeks subsequent to the survey).

Persons who usually work full time, but worked part time in the reference week for economic reasons, are separately identified in the underemployment framework. It is assumed that these people wanted to work full time in the reference week and would have been available to do so.

DEFINITION OF UNDEREMPLOYMENT

The ABS definition of the underemployed is consistent with the International Labour Organisation (ILO) definition of time-related underemployment.

According to the ILO definition adopted in 1998, time-related underemployment exists when the hours of work of an employed person are below a threshold, and are insufficient in relation to an alternative employment situation in which the person is willing and available to engage. More specifically, persons in

time-related underemployment comprise all employed persons (as defined) who satisfy the following three criteria:

- willingness to work additional hours - the ILO recommends that those who have actively sought to work additional hours should be distinguished from those who have not
- availability to work additional hours, within a specified subsequent period
- worked less than a threshold (determined according to national circumstances) relating to working time - the ABS underemployment framework uses a threshold (35 hours in the reference week) based on the boundary between full-time and part-time work.

UNDEREMPLOYED WORKERS SURVEY

The Underemployed Workers Survey is the primary ABS data source on underemployment. It provides a wide range of information about underemployed workers, including information on the number of hours usually worked, number of preferred hours, steps taken to find work with more hours, and difficulties finding work with more hours. Summary information on underemployed workers is also collected in the Labour Force Survey (LFS) on a quarterly basis.

OVERVIEW

There were 9,570,600 employed persons aged 15 years and over in September 2003. Of these:

- 610,700 (6%) usually worked part time and wanted to work more hours
- 567,400 (6%) were underemployed workers, including:
 - 527,700 who usually worked part time and wanted more hours and were available to start work with more hours in the reference week, or within four weeks of interview
 - 39,600 who usually worked full time but worked part-time hours in the reference week due to economic reasons (being stood down, on short time, or having insufficient work). The majority (77%) of these were male.

PART-TIME WORKERS WHO WANT MORE HOURS

In September 2003, there were 2,689,200 part-time workers. Of these, 23% (610,700) wanted to work more hours, an increase of one percentage point since September 2002. The proportion of part-time workers wanting more hours was higher for males (30%) than for females (20%). A similar pattern occurred in previous years.

Characteristics of part-time workers who want more hours

Of the 610,700 part-time workers who wanted to work more hours, the majority (58%) wanted to work full time. For males, the proportion who wanted to work full time was 73%, whereas the proportion of females wanting to work full time was 50%.

Duration of insufficient work

The median duration of the current period of insufficient work for part-time workers who wanted to work more hours was 30 weeks. In September 2003, for males aged 45-54 years, the median duration of insufficient work was 52 weeks. See Glossary for definition of *median duration of insufficient work*.

Available to start work with more hours in the reference week

There were 236,700 part-time workers looking for work with more hours who were available to start work with more hours in the reference week. This is the group of underemployed workers which most closely aligns with criteria applied in the ABS definition of unemployment, that is, actively looking for work, and available for work in the reference week. Females comprised just over half of these workers (55%).

Of those 610,700 part-time workers who wanted to work more hours, 77% (472,800) had actively looked for work with more hours in the four weeks prior to the survey, or were available to start work with more hours in the reference week.

The remaining 23% (137,900 persons) were not looking for work with more hours in the four weeks prior to the survey and were not available in the reference week. Of these, 69,400 were available to start work with more hours within the next four weeks.

Looking for, or available to start work

Of those part-time workers wanting more hours, 89% (542,300) were looking for or available to start work with more hours in the reference week or within four weeks. This proportion has remained steady since September 2001. Almost one-third (32%) of these persons usually work 10 hours or less per week.

Extra hours wanted

Of those part-time workers who were looking for or available to start work with more hours:

- 43% wanted to work 10-19 extra hours
- 28% wanted to work less than 10 extra hours each week
- 22% wanted to work 20-29 extra hours
- 8% wanted to work an additional 30 hours or more.

The mean preferred number of extra hours each week was 15.3 hours. Males wanted to work an average of 17.3 extra hours compared with an average of 14.1 extra hours for females. The mean preferred number of extra hours was highest for persons aged 25-34 years (16.5 hours) and lowest for persons aged 15-19 years (13.3 hours).

Job search experience

Of those part-time workers who wanted more hours, 300,400 (49%) had been looking for work with more hours.

Part-time workers who looked for work with more hours were asked to report their main difficulty in finding work with more hours. The most commonly reported main difficulty in September 2003 was 'no vacancies in line of work' (22%). A further 10% reported 'considered too young or too old by employers' as their main difficulty, and 9% reported 'unsuitable hours'.

The most common steps taken to find work with more hours were 'contacted prospective employers' (65%), 'asked current employer for more work' (58%) and 'looked in newspapers' (57%). The proportion of persons searching internet sites to find work with more hours increased from 18% in September 2001 to 28% in September 2003. This is the largest increase in frequency of all the steps taken to find work with more hours.

MOST COMMON STEPS TAKEN TO FIND WORK WITH MORE HOURS, September 2001 to 2003

	SEPTEMBER 2001		SEPTEMBER 2002		SEPTEMBER 2003	
	'000	%	'000	%	'000	%
Contacted prospective employers	202.1	66	196.1	65	194.0	65
Asked current employer for more work	162.1	53	157.8	52	174.1	58
Looked in newspapers	182.5	60	172.1	57	172.1	57
Searched internet sites	55.5	18	77.6	26	85.1	28
Contacted friends or relations	75.5	25	71.3	24	82.0	27
Registered with Centrelink	80.7	27	70.4	23	69.2	23
Answered a newspaper advertisement for a job	64.8	21	62.6	21	66.8	22

About this Release

ABOUT THIS RELEASE

Provides information on visible underemployment. Persons who worked less than 35 hours in the week prior to the survey who would have preferred to work more hours were asked about whether they were looking for work with more hours, available to start work with more hours, and their experience in looking for work with more hours. Other information includes, the duration of the current period of insufficient work, and the number of extra hours preferred. Estimates can be cross-classified by labour force demographics such as State, sex, age, marital status and birthplace.

Data for September 1994 and September 1995 are available as a standard data service (6265.0.40.001).

Explanatory Notes

Explanatory Notes

INTRODUCTION

1 The statistics in this publication were compiled from data collected in the Underemployed Workers Survey conducted throughout Australia in September 2003 as a supplement to the monthly Labour Force Survey (LFS). Respondents to the LFS who were in scope of the supplementary survey were asked further questions.

2 The publication **Labour Force, Australia** (cat. no. 6202.0) contains information about survey design, sample redesign, scope, coverage and population benchmarks relevant to the monthly LFS, which also apply to supplementary surveys. It also contains definitions of demographic and labour force characteristics, and information about telephone interviewing relevant to both the monthly LFS and supplementary surveys.

3 From April 2001 the LFS has been conducted using a redesigned questionnaire containing additional questions and some minor definitional changes. These changes also affect the supplementary surveys. For further details, see **Information Paper: Implementing the Redesigned Labour Force Survey Questionnaire** (cat. no. 6295.0) and **Information Paper: Questionnaires Used in the Labour Force Survey** (cat. no. 6232.0).

CONCEPTS, SOURCES AND METHODS

4 The conceptual framework used in Australia's LFS aligns closely with the standards and guidelines set out in the Resolutions of the International Conference of Labour Statisticians. Descriptions of the underlying concepts and structure of Australia's labour force statistics, and the sources and methods used in compiling these estimates, are presented in **Labour Statistics: Concepts, Sources and Methods** (cat. no. 6102.0) which is also available on the ABS web site (About Statistics-Concepts and Classifications).

SCOPE

5 The scope of the LFS is restricted to persons aged 15 years and over and excludes the following persons:

- members of the permanent defence forces
- certain diplomatic personnel of overseas governments, customarily excluded from census and estimated populations
- overseas residents in Australia
- members of non-Australian defence forces (and their dependants).

6 Students at boarding schools, patients in hospitals, residents of homes (e.g. retirement homes, homes for persons with disabilities) and inmates of prisons are excluded from all supplementary surveys.

7 This supplementary survey was conducted in both urban and rural areas in all states and territories, but excluded approximately 120,000 persons living in very remote parts of Australia who would otherwise have been within the scope of the survey. The exclusion of these persons will have only a minor impact on any aggregate estimates that are produced for individual states and territories, except the Northern Territory where such persons account for over 20% of the population.

COVERAGE

8 The estimates in this publication relate to persons covered by the survey in September 2003. In the LFS, coverage rules are applied which aim to ensure that each person is associated with only one dwelling and hence has only one chance of selection in the survey. See **Labour Force, Australia** (cat. no. 6203.0) for more details.

RELIABILITY OF THE ESTIMATES

9 Estimates in this publication are subject to sampling and non-sampling errors:

- Sampling error is the difference between the published estimate and the value that would have been produced if all dwellings had been included in the survey. For further information see the Technical Note.
- Non-sampling errors are inaccuracies that occur because of imperfections in reporting by respondents and interviewers, and errors made in coding and processing data. These inaccuracies may occur in any enumeration, whether it be a full count or a sample. Every effort is made to reduce the non-sampling error to a minimum by careful design of questionnaires, intensive training and supervision of interviewers, and efficient processing procedures.

SEASONAL FACTORS

10 The estimates are based on information collected in the survey month and, due to seasonal factors, may not be representative of other months of the year.

CLASSIFICATIONS USED

11 Country of birth data are classified according to the **Standard Australian Classification of Countries (SACC), 1998** (cat. no. 1269.0).

12 Educational attainment data are classified according to **Australian Standard Classification of Education (ASCED)** (cat. no. 1272.0).

COMPARABILITY OF TIME SERIES

13 Revisions are made to population benchmarks for the LFS after each five-yearly Census of Population and Housing. The 2003 Underemployed Workers Survey has been compiled using benchmarks based on the 1996 Census of Population and Housing.

14 Supplementary surveys are not always conducted on the full LFS sample. Since August 1994 the sample for supplementary surveys has been restricted to no more than seven-eighths of the LFS sample. Since it was introduced, this survey has been conducted on various proportional samples and therefore standard errors associated with previous surveys may vary from this survey.

15 Prior to September 1994, part-time workers who wanted more hours of work were asked whether they were available to start work with more hours within the subsequent four weeks. From September 1994, an additional question was added to also determine their availability to start work with more hours during the reference week. This question was added to the survey so that estimates of underemployment could be more easily aligned with the then current International Labour Organisation (ILO) recommendations on underemployment.

16 As part of the redesign in 2001 of the LFS questionnaire, persons who were on short-term unpaid leave initiated by the employer, are now classified as employed. This approach is consistent with ILO recommendations on formal job attachment. Analysis of data from the LFS shows that many of these persons usually worked part time, and that a number of these had a preference to work more hours. However, overall, these persons contribute only marginally to the change in part-time workers wanting more hours.

COMPARABILITY WITH LABOUR FORCE SURVEY STATISTICS

17 Due to differences in the scope and sample size of this supplementary survey and that of the LFS, the estimation procedure may lead to some small variations between labour force estimates from this survey and those from the LFS.

COMPARABILITY WITH ILO DEFINITIONS

18 Comparability of the concepts and definitions used in the Underemployed Workers Survey are discussed in the Conceptual Framework on page 3. More detailed discussion is included in **Labour Statistics: Concepts Sources and Methods, 2001** (cat. no. 6102.0), Chapter 5.

PREVIOUS SURVEYS

19 The Underemployed Workers Survey was conducted in May 1985, 1988 and 1991. In 1994, the survey became an annual survey, collected each September. Results of previous surveys were published in: **Underemployed Workers, Australia** (cat. no. 6265.0); and the standard data service **Underemployed Workers, Australia** (cat. no. 6265.0.40.001) for 1994 and 1995.

NEXT SURVEY

20 The ABS plans to conduct this survey again in September 2004.

ACKNOWLEDGMENT

21 ABS publications draw extensively on information provided freely by individuals, businesses, governments and other organisations. Their continued cooperation is very much appreciated: without it, the wide range of statistics published by the ABS would not be available. Information received by the ABS is treated in strict confidence as required by the **Census and Statistics Act 1905**.

RELATED PUBLICATIONS

22 ABS publications which may be of interest include:

Job Search Experience, Australia, cat. no. 6222.0
Labour Force, Australia, cat. no. 6202.0
Labour Force Experience, Australia, cat. no. 6206.0
Labour Mobility, Australia, cat. no. 6209.0
Labour Statistics: Concepts, Sources and Methods, cat. no. 6102.0
Persons Not in the Labour Force, Australia, cat. no. 6220.0
Working Arrangements, Australia, cat. no. 6342.0
Australian Labour Market Statistics, cat. no. 6105.0

23 Current publications and other products released by the ABS are listed in the **Catalogue of Publications and Products** (cat. no. 1101.0). The Catalogue is available from any ABS office or the ABS web site <https://www.abs.gov.au>. The ABS also issues a daily Release Advice on the web site which details products to be released in the week ahead.

Abbreviations

ABS	Australian Bureau of Statistics
ASCED	Australian Standard Classification of Education
ILO	International Labour Organisation
LFS	Labour Force Survey
n.f.d.	not further defined
RSE	relative standard error
SACC	Standard Australian Classification of Countries
SE	standard error

Glossary

Centrelink

A statutory authority responsible for delivering a range of Commonwealth government services, including registering persons for job search assistance and income support.

Duration of insufficient work

The duration of insufficient work is the length of time underemployed workers have been working less than 35 hours a week. As periods of insufficient work are recorded in full weeks and rounded down, this results in a slight understatement of duration.

Employed persons

Persons aged 15 years and over who, during the reference week:

- worked for one hour or more for pay, profit, commission or payment in kind, in a job or business or on a farm (comprising employees, employers and own account workers); or
- worked for one hour or more without pay in a family business or on a farm (i.e. contributing family workers); or
- were employees who had a job but were not at work and were:
 - away from work for less than four weeks up to the end of the reference week; or
 - away from work for more than four weeks up to the end of the reference week and received pay for some or all of the four-week period to the end of the reference week; or
 - away from work as a standard work or shift arrangement; or
 - on strike or locked out; or
 - on workers' compensation and expected to return to their job; or
- were employers or own account workers who had a job, business or farm, but were not at work.

Full-time workers

Employed persons who usually worked 35 hours or more a week (in all jobs) or those who, although usually worked less than 35 hours a week, worked 35 hours or more during the reference week.

Fully employed workers

Employed persons who:

- worked full time during the reference week (including persons who usually work part time but worked full time in the reference week); or
- usually work full time but worked less than 35 hours in the reference week for non-economic reasons (such as illness or injury, leave holiday or flextime, or personal reasons); or
- part-time workers who do not want to work additional hours.

Labour force

The civilian population aged 15 years and over can be split into two mutually exclusive groups: the labour force (employed and unemployed persons) and persons not in the labour force.

Level of highest educational attainment

Level of highest educational attainment identifies the highest achievement a person has attained in any area of study. It is defined as the highest educational attainment a person has achieved, and is not a measurement of relative importance of different fields of study.

Looking for work with more hours

Looked for work with more hours at some time during the four weeks up to the end of the reference week.

Main English-speaking countries

The main English-speaking countries are the United Kingdom, Ireland, Canada, South Africa, the United States of America and New Zealand.

Mean duration of insufficient work

The mean duration of insufficient work is obtained by dividing the aggregate number of weeks a group has had insufficient work by the number of persons in that group.

Mean preferred number of extra hours

The mean preferred number of extra hours is obtained by dividing the total preferred number of extra hours reported by a group by the number of persons in that group.

Median duration of insufficient work

The median duration of insufficient work is obtained by dividing underemployed workers into two equal groups, one comprising persons whose duration of insufficient work is above the median, and the other comprising persons whose duration is below it.

Part-time workers

Employed persons who usually worked less than 35 hours a week (in all jobs) and either did so during the reference week, or were not at work during the reference week.

Preferred number of extra hours

The number of extra hours a week an underemployed worker would have preferred to work.

Reference week

The week before the survey.

Status in employment

Employed persons classified by whether they were employees, employers, own account workers, or contributing family workers.

Underemployed workers

Underemployed workers are employed persons who want, and are available for, more hours of work than they currently have. They comprise:

- part-time workers who want to work more hours and were available to start work with more hours, either in the reference week or in the four weeks subsequent to the survey
- full-time workers who worked part-time hours in the reference week for economic reasons (such as being stood down or insufficient work being available). It is assumed that these people wanted to work full time in the reference week and would have been available to do so.

Usual number of hours

The number of hours usually worked in a week.

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